

# 2018 Kentucky Soil & Water Quality State Cost Share Program Policy & Supplemental Information



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## Introduction

With the recent reorganization of the Kentucky Soil and Water Quality State Cost Share Program, several new documents have been created to assist staff that work in this program to better navigate its policies and procedures. This document contains information outlining changes to the program, interpreting program policy, and detailing regulatory requirements. It also references additional documents that will help to instruct those who work this program on how to effectively administer it to enhance the natural resources within the Commonwealth of Kentucky.

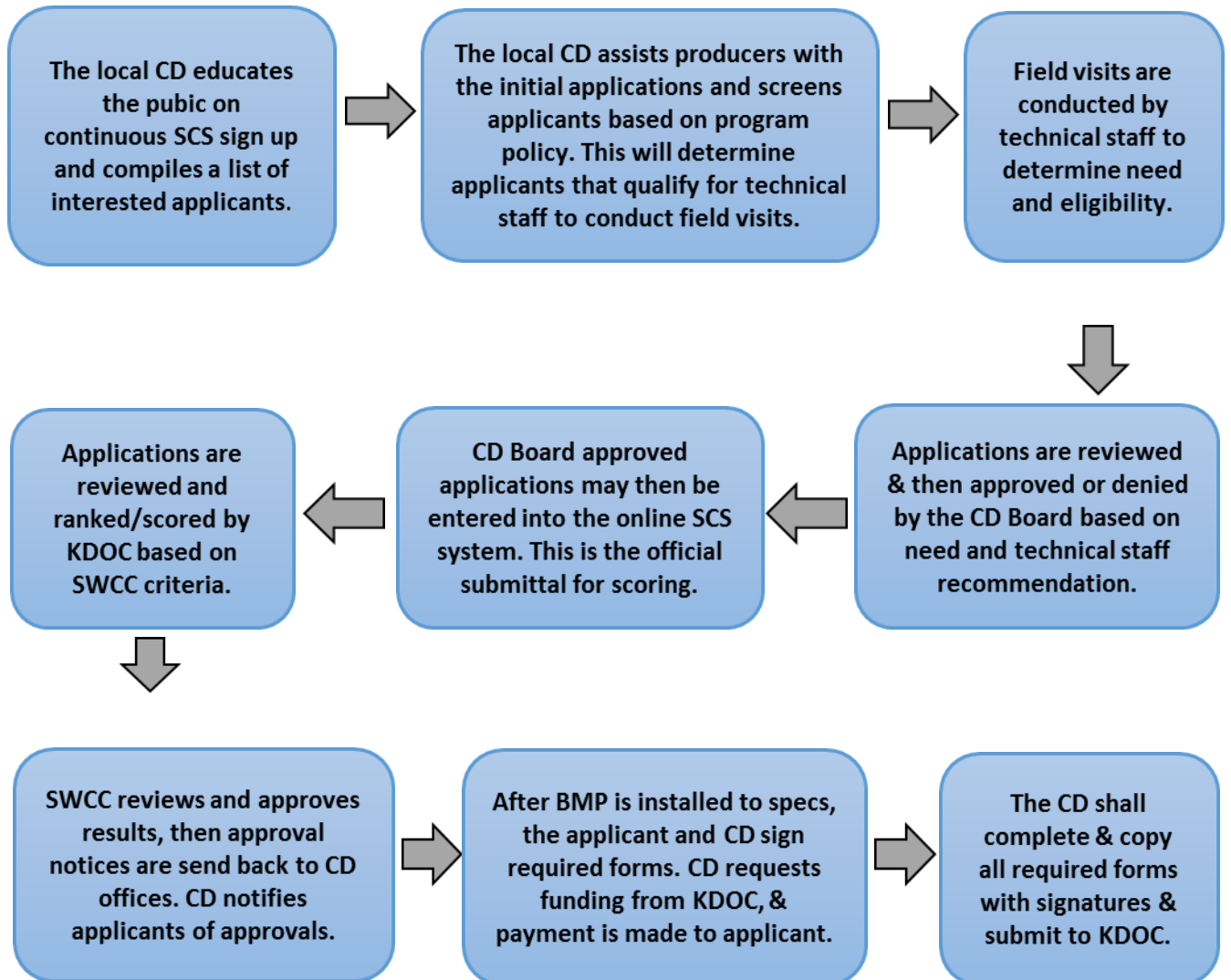
The first portion of this document is more of a “how to” guide that includes policy on certain topics. The later pages are more regulation driven and offer documentation on the foundation of policies and requirements that are mandatory within the program.

## Notable Changes to the 2018 Kentucky State Cost Share Manual

1. The entire organization of this program has changed from the 2016 State Cost Share Manual. The practices have been re-organized, and the online sign up/scoring system has also been rebuilt. The same best management practices are still being utilized, however in a different scope and organization. This should allow for a smooth transition of working the new program requirements. There will be a number of training sessions across the Commonwealth for employees that work with this program.
2. Pay particular attention to the “Ineligible Persons” section on page 10. New policy has been set on this topic, and it will be reflected in the new application process to streamline the application phase and bring more transparency and responsibility to the expenditure of funds.
3. With the new online system, an applicant may enter all practice components on one contract for a specific operation/farm. Each applicant will be limited to one application.
4. Maximum payment limitations have been revised on some practices, most notably Streambank Stabilization and Winter Heavy Use Feeding Areas, to accurately reflect the requirements within 416 KAR 1:010.

# Guidance to Kentucky State Cost Share Procedures

## General Flow Chart of State Cost Share Process



### Specific Steps and Policy:

1. Local conservation districts will advertise the program, then begin to screen interested applicants based on approved criteria established by the Commission.
2. Conservation District personnel shall compile a tracking list of applications who wish to/are eligible to have a field visit and have started the application process.
3. Appropriate technical agency and/or conservation district staff visits potential applicants to evaluate practices and complete cost share application. (Technical agency assists in completing application.) Cost share assistance shall not be awarded to best management practices in progress prior to cost share approval or practices previously installed by the applicant.
4. Each producer is limited to one application that addresses one practice (category). Multiple practice components may be entered under this practice category.
5. Applications are reviewed, and approved or denied, by the local conservation district. This is a mandatory step required by 416 KAR 1:010, Section 6.
6. Locally approved applications are filed at the office, and then entered into the online system on a continuous basis. When successfully entered into the online portal, the applications are considered “submitted” to the Kentucky Division of Conservation.
7. The Commission will evaluate applications based on established criteria and earmarked funds for qualified applications as funds are available.
8. An approval or disapproval notice is sent back to the conservation district with appropriate maximum funding amounts to install approved practices.
9. Once the practice is installed to specifications, the landowner and the conservation district will co-sign the Kentucky State Cost Share Payment Form and payment will be made from district to the landowner. Final cost share payment cannot be paid to the applicant/landowner until completed, inspected, and approved by the technical agency. The applicant shall submit bills/receipts for work performed to determine actual cost, and the appropriate amount to be paid will be determined from this information. After all bills/receipts are submitted, and payment amount is determined, the conservation district may request the proper funds from the KDOC. The maximum payment rate percentages (75% of actual) are set by the Kentucky State Legislature. Thus, exceeding the payment rate as stated for each practice in this manual is a violation of 416 KAR 1:010 Section 10(6).
10. Partial Payment Policy: An applicant may not receive a partial payment on individual practice components within a BMP. Therefore, partial payments are not allowed at this time on state cost share applications.
11. Approved applicants have one (1) year from the date of approval to complete the practice. Extensions may be granted for intervals of six (6) months with a maximum of two (2) extensions per approved application. After two extensions have been granted and expired, the landowner forfeits the rights to the funds.

12. Contract modifications due to errors or omissions must be justified, in writing, to the Commission. Requests for contract modification that will increase cost share funding must be recommended to the commission by the local district board and the engineer/technician. The approval of the funding for the contract modifications will be decided on by the Commission and are subject to the practice being eligible to receive additional assistance and the availability of funds.
13. Approved and completed cost share practices are subject to inspection by members or designees of the local conservation district and/or the Soil and Water Conservation Commission.
14. Applicants shall agree to maintain approved, completed conservation practices according to the provisions as defined in the Performance and Maintenance Agreement and the defined life span of the specific practice according to the technical agency's standards.
15. Conservation practices that are approved and completed are subject to an engineering spot check by the technical agency for design standards and specifications.

## Kentucky State Cost Share Application

The Kentucky State Cost Share application form (with instructions) is available on the official KDOC website, or from KDOC staff. It may be printed from the digital file and used by the applicant and office staff to fill out prior to entry into the system. It should be noted that entry into the online system is the ONLY way to submit an official state cost share application. This document is for guidance and signatures only.

The application has been simplified from previous program years. The application is only two pages in length, and should be completed by the local conservation district staff in conjunction with the applicant.

## Kentucky State Cost Share Payment Form

The Kentucky State Cost Share Payment Form is essentially the last three pages from the historical program years' application forms. Since this is a different portion of the program process, these forms have been separated. *At this time*, the construction of the online database system is not going to address the payment part of this process in full, so we will retain this form for payment request and tracking. It is possible that in the future we may work this into the online system. The Payment Form (with instructions) also available on the official KDOC website.

## 2018 State Cost Share Ranking Priority List

### 2018 Ranking Priority of Conservation Practice Components in Kentucky State Cost Share Program

Practices that address livestock related issues in pastureland and/or animal feeding operations receive additional points in addition to the conservation practices selected.

#### High Priority Practices:

**316** Animal Mortality Facility  
**317** Composting Facility  
**102** Comprehensive Nutrient Management Plan (CNMP)  
**382** Fence (To remove livestock from stream, sinkhole, pond)  
**393** Filter Strip  
**512** Forage and Biomass Planting (converting cropland to hay/pasture)  
**410** Grade Stabilization Structure  
**412** Grassed Waterway  
**561** Heavy Use Area (livestock feeding pads)  
**391** Riparian Forest Buffer  
**390** Riparian Herbaceous Cover  
**558** Roof Runoff Structure  
**367** Roofs and Covers  
**578** Stream Crossing (Livestock)  
**575** Trails and Walkways  
**612** Tree and Shrub Establishment  
**635** Vegetative Treatment Area  
**313** Waste Storage Facility  
**634** Waste Transfer  
**359** Waste Treatment Lagoon  
**614** Water Facility (remove livestock from stream)

#### Medium Priority Practices:

**342** Critical Area  
**340** Cover Crop  
**362** Diversion  
**386** Field Border  
**484** Mulching  
**104** Nutrient Management Plan (fertilizer only)  
**590** Nutrient Management- Manure Application  
**329** Residue and Tillage Management  
**574** Spring Development  
**638** Streambank Stabilization  
**578** Stream Crossing  
**600** Terrace  
**638** Water and Sediment Control Basin

#### Low Priority Practices:

**382** Fence (cross fencing pasture or to protect forestland)  
**561** Heavy Use Area (gate openings, waterway crossings)  
**516** Livestock pipeline  
**590** Nutrient Management (Fertilizer Application)  
**378** Pond  
**606** Subsurface Drain  
**620** Underground Outlet  
**614** Water Facility (Ramp in Pond)  
**512** Forage and Biomass Planting (Pasture Renovation)  
**578** Stream Crossing (Equipment)  
**642** Water Well

## State Cost Share Forms Online

The list of forms below can be found online at the KDOC website.

State Cost Share Manual  
State Cost Share Application Form with Instructions  
State Cost Share Practice Worksheet  
State Cost Share Payment Form with Instructions  
State Cost Share Payment Request Workbook  
Technical Guidance – Winter Feeding Heavy Use Area  
Example News Release



## Acronyms List

|        |   |
|--------|---|
| AFO    | Animal Feeding Operation                              |
| AWQP   | Ag Water Quality Plan                                 |
| BMP    | Best Management Practice                              |
| CAFO   | Concentrated Animal Feeding Operation                 |
| CAP    | Conservation Activity Plan                            |
| CNMP   | NRCS Comprehensive Nutrient Management Plan           |
| CREP   | Conservation Reserve Enhancement Program              |
| CRP    | Conservation Reserve Program                          |
| EQIP   | Environmental Quality Incentives Program              |
| FSA    | Farm Services Agency                                  |
| HUA    | Heavy Use Area  |
| IPM    | Integrated Pest Management                            |
| KAR    | Kentucky Administrative Regulation                    |
| KCP    | Kentucky Conservation Practice                        |
| KCREP  | Kentucky SCS practice for the CREP Program (Archived) |
| KRS    | Kentucky Revised Statute                              |
| KDFWR  | Kentucky Department of Fish & Wildlife Resources      |
| KDOC   | Kentucky Division of Conservation                     |
| KDOF   | Kentucky Division of Forestry                         |
| KDOW   | Kentucky Division of Water                            |
| KMRBI  | Kentucky SCS practice for the MRBI Program            |
| KYNMP  | Kentucky Nutrient Management Plan                     |
| MRBI   | Mississippi River Basin Initiative                    |
| NMP    | NRCS Nutrient Management Plan                         |
| NRCS   | Natural Resources Conservation Service                |
| RCPP   | Regional Conservation Partnership Program             |
| SCS    | State Cost Share                                      |
| SWCC   | (Kentucky) Soil & Water Conservation Commission       |
| TA     | Technical Assistance                                  |
| TSP    | Technical Service Provider                            |
| USDA   | United States Department of Agriculture               |
| VRA    | Variable Rate Application                             |
| WINPST | Windows Pesticide Screening Tool                      |

# Eligibility Requirements

## Producer Eligibility

Eligible Persons - Persons conducting agricultural or silvicultural production are eligible to receive Kentucky State Cost Share assistance for best management practices if the following conditions are met:

- (1)The person has had prepared a conservation plan, a compliance plan, a forest management or forest stewardship plan, or an agriculture water quality plan; and
- (2)The person agrees to perform and to maintain best management practices for the period of time specified by the commission.

Tenant Farmers - Any tenant farmer should supply a copy of their Schedule F as well as written permission from the landowner in order to apply and install State Cost Share practices. The landowner must agree to continue the best management practices for the life span of the practice in the event that the tenant farmer cancels their land usage agreement.

Ineligible Persons - A person engaged in agricultural or silvicultural production who has failed or refused to comply with agriculture water quality planning and has been deemed a "bad actor" under KRS 224.71-130 shall lose eligibility for further cost share assistance.

Any applicant that has any type of existing easement, or is a part of another program, on the property for which they are applying for a Kentucky State Cost Share practice shall inquire with that governing agency/entity to ensure that the installation of the practice is legal and practical.

Any applicant that has a previously funded Kentucky State Cost Share practice that is not being maintained according to the Operation and Maintenance Agreement and the practice is still within the useful life span for required maintenance.

Any applicant that was previously approved for state cost share funding and practices that were not completed within the 2-year implementation period and resulted in cancellation of practice, within the last 5 years, *that was due to the the negligence or delays by the applicant.*

Any applicant that is requesting to solve a resource problem(s) that was created by the changing the land use to a more intensive farming system in the last 5 years that has resulted in the creation of natural resource problem(s). (Example: Converting forestland or pastureland to cropland).

Practices requested by the applicant that will not solve the existing natural resource problem(s), cannot be installed according to technical design standards, or are beyond the engineering approval limits of the technical agency.

## Best Management Practice Eligibility

Purposes of Best Management Practices- The Kentucky Soil Erosion and Water Quality Cost Share Funds shall be used to provide cost share assistance for development and implementation of best management practices for the following purposes:

- (1) Providing cleaner water through the reduction of sediment loading of Kentucky streams, rivers, and lakes.
- (2) Reducing the loss of topsoil vital to sustain production of food and fiber.
- (3) Preventing surface water and groundwater pollution.

Approved Best Management Practices- Complete listings of eligible best management practices are contained in the document entitled 2018 Kentucky Soil Erosion and Water Quality Cost Share Manual.

Unlisted BMP/Environmental Grants - A district may request the Commission's approval of best management practices not included in the Commission's list of approved practices if those best management practices solve a problem unique to the requesting district and conform to one or more of the purposes listed above in Purposes of Best Management Practices. A request shall be filed in writing with the Commission in time for the Commission to review the request and to notify the district of its decision prior to the advertisement of the program for the next program year. Conservation practices may be included in a district's list of eligible practices offered for cost share assistance only if approved by the Commission in accordance with this subsection.

## Application Procedures

Solicitation of Applications: The Commission shall establish, for each program year, a deadline for submittal of applications for cost share assistance. Each conservation district shall provide an opportunity for persons within the district to submit applications in time for the next program year by advertising the availability of cost share assistance in appropriate news media such as local newspapers, local radio stations, and any newsletters published by the district.

All applications shall be completed online except for the Environmental Grant and any program-specific practice. Once your applications are entered online they will be submitted to the Kentucky Division of Conservation.

Contents of Applications: In order to apply for cost share assistance, an applicant shall work with conservation district staff to submit the current state cost share application to the conservation district in which the eligible land is located. The applicant/district staff shall append the following to the application in the local conservation district file:

- (1) Any conservation plan, compliance plan, forest stewardship plan, or agriculture water quality plan in effect for the eligible land.
- (2) If known to the applicant, or made in consultation with the appropriate technical agency, the anticipated total cost of the best management practice to be implemented

and the percentage, if any, of the cost which the applicant proposes to bear, which percentage shall not be less than minimums established by the Commission for the particular best management practice.

Completion of Applications: An applicant who does not have a conservation plan, compliance plan, forest stewardship plan, or agriculture water quality plan in effect for the eligible land; or who has not determined the anticipated total cost of the requested best management practice, may request technical assistance from the conservation district in developing a best management practices plan and determining costs. An applicant must have a current agriculture water quality plan in effect before the application may be submitted. When the best management practices plan has been developed and the anticipated total cost determined, the application will be reviewed in accordance with the eligibility and prioritization criteria established by this administrative regulation.

Review of Applications: Each conservation district shall review and determine the eligibility of all applications that are submitted by the established deadline. The board of supervisors for the district shall vote upon the eligibility at a meeting conducted in accordance with the Open Meetings Law, KRS 61.805 to 61.850, and record the outcome in the minutes for that meeting of the board of supervisors. A district supervisor who is also an applicant for cost share assistance shall not vote on eligibility. A district may approve both individual applications for eligible lands within the district and watershed-based applications for eligible lands within the district.

## Approval Procedures

Prioritization of Applications: The Commission shall prioritize the applications of persons determined by the conservation districts to be eligible for cost share assistance and shall make the final award of cost share assistance.

- (1) Classification of Priorities- Applications shall be prioritized based on the following criteria:
  - (A) Applicants conducting agricultural or silvicultural production needing animal waste management systems where animal waste has been identified by the Kentucky Energy and Environment Cabinet as a water pollution problem.
  - (B) Applicants who are members of Certified Agricultural Districts.
  - (C) Applicants who have implemented a conservation plan, a compliance plan, an agriculture water quality plan, or a forest stewardship plan and are part of a watershed where the ecosystem-based assistance process is ongoing.
  
- (2) Applications within each classification identified under the Classification of Priorities, shall be prioritized based on the following criteria:
  - (A) Presence of water pollution based on:

- (1) Notification by a local, state, or federal agency that the applicant's agricultural or silvicultural production has caused or contributed to water pollution.
- (2) Determination by the Kentucky Energy and Environment Cabinet that surface water affected by the applicant's agricultural or silvicultural production is not meeting its designated use.
- (3) Identification by the Kentucky Energy and Environment Cabinet of a water priority protection region encompassing the location of the applicant's agricultural or silvicultural production.
- (4) Other documentation of water pollution, such as a biological assessment.
- (5) Potential for development of water pollution from agricultural or silvicultural production in the watershed in which the applicant's agricultural or silvicultural production is being conducted.

(B) Types of water pollutants based on:

- (1) Animal waste.
- (2) Sediment run-off.
- (3) Nutrient loading.
- (4) Pesticide application, storage, and disposal.

(C) Proximity of pollutant to groundwater or surface water.

(D) Magnitude of water pollution.

(E) Location in designated water quality planning area based on the existence of one or more of the following:

- (1) An ecosystem-based assistance process.
- (2) A Federal Clean Water Act Section 319(h) watershed plan area.
- (3) A wellhead protection area.
- (4) An agriculture water quality protection region.

Allocation of Cost Share Assistance: The available funds received by the Commission for the cost share program shall be allocated to the conservation districts based on requests from districts approved by the Commission prior to each program year. The districts shall receive a share of the Kentucky Soil Erosion and Water Quality Cost Share Fund based on the Commission's approval of a district's initial request based on the objectives and prioritization detailed under the section titled "Approval Procedures" in this administrative manual.

The Commission shall retain ten percent (10%) of the available funds in contingency fund to be allocated to assist persons engaged in agricultural or silvicultural productions and implementing the agriculture water quality program mandated by KRS 224.71.

Any funds allocated by the Commission to a district for a program year shall revert to the Commission if the district has not obligated the funds within one (1) year from allocation. The Conservation District may make a request to the Commission for up to two (2) 6-month extensions to complete the practice if circumstances merit.

Best Management Practices Designs: Once cost share assistance has been approved by the Commission, the conservation district shall designate a technician to develop final design and layout for the approved best management practices.

## Funding Guidelines

Execution of Performance and Maintenance Agreements: After an applicant has been approved for cost share assistance and before the applicant receives payment of the cost share funds, the applicant and the conservation district shall execute a performance and maintenance agreement.

- (1) Requirements of Performance and Maintenance Agreements: The performance and maintenance agreement shall require the applicant to meet the following requirements:
  - (A) The applicant shall agree to perform those best management practices approved in accordance with this administrative document.
  - (B) The applicant shall agree to maintain approved best management practices for the expected life of each practice agreed upon in the performance and maintenance agreement.
  - (C) Upon completion of the approved best management practice, the applicant shall notify the district that the practice has been installed and shall provide to the district for its inspection all vouchers, bills, and receipts associated with the practice when required.
  - (D) The applicant shall agree that at the time of transfer of ownership of land where a best management practice has been applied using cost share assistance and the expected life assigned the practice has not expired, the applicant shall execute a contract with the transferee requiring continuation of those practices until completed.
  - (E) The applicant shall agree that if the applicant destroys the best management practice installed or voluntarily relinquishes control or title of the land on which the installed practice has been established, and the new owner, heir, or operator does not agree in writing to properly maintain the practice for the remainder of its specified life span, the applicant shall refund all or part of the cost share assistance as determined by the district.
  - (F) The applicant shall agree that if the applicant does not maintain the approved best management practices according to the operation and maintenance agreement, the applicant shall forfeit the cost share assistance and the Commission shall be authorized to recover the funds disbursed. The applicant shall remain ineligible for future cost share funding until the practice is maintained in accordance with the performance and maintenance agreement, cost share funds are recovered by the Conservation Commission, or the useful life span of the practice expires.
  
- (2) Effect of Performance and Maintenance Agreement: Requirements for performance and maintenance of best management practices applied using cost share assistance shall be established in the performance and maintenance agreement and reviewed with the applicant at the time of application submittal and before completion of a certification of practices.

- (3) Refund of Funds Disbursed: The district may require a refund of cost share when an approved best management practice has not been performed or maintained in compliance with approved design standards and specifications for the practice during its expected life as agreed in the performance and maintenance agreement.
- (4) Application for Future Cost Share Assistance: Best management practices that have been successfully completed and which later fail as the result of floods, drought, or other natural disasters, and not through any fault of the applicant, shall not prohibit the applicant from applying for additional cost share assistance to restore the practices to their original design standards and specifications.
- (5) Certification: Upon notification by the applicant that the approved best management practice has been completed and before disbursement of funds from the district, the appropriate technical agency shall certify to the district that the practice has been installed in accordance with the document entitled Kentucky Soil Erosion and Water Quality Cost Share Manual.
- (6) Limitations on Awards: Cost share assistance to an applicant shall be limited to 75% of the actual cost, not to exceed the per unit cost share rate, which is approved by the Commission, of the actual quantities installed by the landowner for each best management practice. These practices are governed by a maximum of seven thousand, five hundred dollars (\$7,500) per program year to each applicant or operation for all practices except the more expensive manure storage practices, which have a maximum of twenty thousand dollars (\$20,000) per program year to each applicant or operation. Cost share assistance may be used with other federal or local cost share funds on the same practices as long as the total cost share payment does not exceed 75% of the practice cost.

An applicant is defined by use of Social Security/Tax ID number, operation is defined by Farm number. Example: FSN # 1234 combined with SS Number 987-65-4321 would discontinue the eligibility for both the FSN & SS Number for additional funding.

Cost share will be provided only for components included in the minimum design needed to solve or prevent the resource concern.

Cost share assistance shall not be awarded to best management practices *in progress prior to* cost share approval or practices previously installed by the applicant.

Funding Request from the Kentucky Division of Conservation: *After the applicant completes the approved practice*, the conservation district will then be responsible for requesting the individual funds from the Kentucky Division of Conservation. Payment will be certified on the 5th and 15th of the month. Please be sure to use the most current form available when submitting requests.

## Administrative Guidelines

District Reporting and Accounting: A district shall conduct the following reporting and accounting procedures:

- (1) Maintain an electronic control ledger showing the current request to the Commission and cost share funds obligated for approved applications, based on estimated costs.
- (2) Submit a monthly report to the Commission indicating the obligated and unobligated balance of the practices of active years to the Commission.
- (3) Submit an annual progress report to the Commission showing accomplishments "to date" for the current program year.
- (4) Assemble case files for each approved application, filed by program year, to contain the following:
  - (A) The approved application for allocated funds.
  - (B) A detailed copy of the estimated cost sheet with associated practices.
  - (C) Certification of practice completion.
  - (D) Applicant's vouchers, bills, or receipts.
  - (E) Final designs for best management practices.
  - (F) The performance and maintenance agreement.
  - (G) Any amendments to the performance and maintenance agreement.
  - (H) A map locating the practices.

Commission Reporting and Accounting: The Commission shall conduct the following reporting and accounting procedures:

- (1) Receive and maintain reports from districts showing the obligated and unobligated balance of allocated and disbursed cost share funds as shown on each report.
- (2) Submit consolidated quarterly reports based on the reports from districts on the obligated and unobligated balance of the Kentucky Soil Erosion and Water Quality Cost Share Fund.

Closing-Out Individual Applications: After the cost share payment has been made to the approved landowner the Conservation District is responsible for forwarding the Kentucky State Cost Share Payment Form to the Kentucky Division of Conservation. This form shall be scanned and emailed to the Division. Please be sure that all of the appropriate information is correct to the best knowledge of the District, and has been signed off on by the responsible parties. Please be sure to keep a copy of this information also in the individual landowners' case file.

Tax Information: Each landowner who receives \$600 or more shall be supplied an IRS form 1099 or equivalent tax accounting documentation. The Conservation District is responsible for distributing the necessary tax information.

Procedure for Filing an Appeal: Please refer to regulation 416 KAR 1:010, Section 12, if inquiries are made about appealing any decisions within the Kentucky State Cost Share process.



## Soil & Water Quality State Cost Share Program Definitions

Agricultural or Silvicultural Production: Any farm operation on a tract of land, including all income-producing improvements and farm dwellings, together with other farm buildings and structures incident to the operation and maintenance of the farm, used for the production of livestock, livestock products, poultry, poultry products, milk, milk products, or silviculture products or for the growing of crops such as, but not limited to tobacco, corn, soybeans, small grains, fruit and vegetables, or devoted to and meeting the requirements and qualifications for payments to agriculture programs under an agreement with the state or federal government.

Agriculture Water Quality Plan: A document incorporating the conservation plan, compliance plan, or forest stewardship management plan as necessary to prevent ground water and surface water pollution from an agricultural or silvicultural production. *Acronym*: AWQP.

Applicant: A person or organization who applies for cost share assistance from the Kentucky Soil Erosion and Water Quality Cost Share Fund.

Available Funds: Monies budgeted, unobligated, and approved by the Soil and Water Conservation Commission for cost share assistance.

Best Management Practices: The most effective, practical, and economical means of reducing and preventing water pollution for agricultural or silvicultural production provided by the USDA Natural Resources Conservation Service and the Soil and Water Conservation Commission. Best management practices shall establish a minimum level of acceptable quality for planning, siting, designing, installing, operating, and maintaining these practices. *Acronym*: BMP.

Case File: The collection of materials that are assembled and maintained for each application for cost share assistance.

Compliance Plan: A conservation plan containing best management practices developed for persons engaged in agricultural production by the USDA Natural Resources Conservation Service in conjunction with local conservation districts as required for eligibility under the Federal Food Security Act.

Conservation District (or just District): A subdivision of state government organized pursuant to KRS 262 for the specific purpose of assisting persons engaged in agricultural or silvicultural production in solving soil and water resources problems, setting priorities for conservation work to be accomplished, and coordinating the federal, state, and local resources to carry out these programs.

Conservation Plan: A plan describing best land management practices, including an installation schedule and maintenance program which, when completely implemented, will improve and maintain soil, water, and related plant and animal resources of the land in accordance with the USDA Natural Resources Conservation Service Technical Guide or developed by others in accordance with the Technical Guide and in cooperation with a conservation district.

Cost Share Assistance: Cost share funds awarded by the Commission from the Kentucky Soil and Water Quality Cost Share Fund.

District Supervisor: A member of a conservation district's governing board.

Ecosystem-Based Assistance Process: A specific application of a planning process that considers the integration of ecological, economic, and social factors to maintain and to enhance the quality of the environment to best meet current and future needs, which may include the following components:

1. Inclusion of private land and public land within the watershed.
2. Identification of and suggested solutions for various resource problems within the watershed.
3. Establishment of opportunities for public participation in plan development and implementation.
4. Inclusion of mechanisms for developing a comprehensive resource plan for the watershed and for reporting conservation accomplishments within the watershed.
5. Identification and prioritization of local resource concerns and inclusion of mechanisms to address these concerns within the watershed.
6. Development within current conservation district boundaries with coordination of plans across county lines for protection of the watershed.

Eligible Land: Land on which agricultural or silvicultural production is being conducted.

Eligible Person: A person eligible to apply for cost share assistance.

Eligible Practices: Those best management practices that have been approved by the Commission and are outlined in this manual.

Environmental Quality Incentive Program (EQIP) Piggyback: An incentive that is offered with an EQIP contract that is designed to promote faster installation of best management practices. These funds are available to contracts that the Division of Conservation has deemed a soil and/or water quality issue that is of priority in being addressed. This funding is available for two years after the EQIP contract is signed. At the end of the two year period this incentive is no longer available to the applicant.

Forest Stewardship Management Plan: A plan developed by the Kentucky Division of Forestry or other cooperating entities that establishes practices for a person engaged in an agricultural or silvicultural production to manage forestlands in accordance with sound silvicultural and natural resource principles.

Groundwater: Subsurface water occurring in the zone of saturation beneath the water table and any perched water zones below the B soil horizon.

Karst: Karst is a landscape formed from the dissolution of soluble rocks including limestone and/or dolomite. It is characterized by sinkholes, caves, and underground drainage systems that are more prone to surface contamination than more traditional aquifers.

Obligated Funds: These are funds that have been sent to the district for a particular applicant that are being held in the districts account as an incentive payment, or funds that will be used for that applicant following final approval of the practice for cost share assistance.

Performance and Maintenance Agreement: A written agreement between an eligible person and the district in which the eligible person agrees to implement and to maintain the best management practices for which cost share assistance is being awarded.

Program Year: The period of time from July 1 to June 30; also referred to as the state fiscal year (SFY).

Sinkhole: A natural depression in a land surface coinciding with a subterranean conduit, generally occurring in limestone regions and formed by dissolution of bedrock, from which water cannot escape in overland drainage. Both open and closed sinkholes are included in this classification.

Soil and Water Conservation Commission (or Commission): The commission established by KRS 146.090.

Surface Water: Those waters having well-defined banks and beds, either constantly or intermittently flowing: lakes and impounded waters, marshes and wetlands, and any subterranean waters flowing in well-defined channels and having a demonstrable hydrologic connection with the surface. Effluent ditches and lagoons used for waste treatment which are situated on property owned, leased, or under valid easement by a permitted discharger shall not be considered to be surface waters of the Commonwealth.

Tenant Farmer: An applicant that signs up for State Cost Share who does not own the land in which the practices will be conducted.

Unobligated Funds: These are funds that have been sent to the district for a particular applicant that will not be used for that applicant after final approval of the practice for cost share assistance.

Water Priority Protection Region: An area specifically delineated where water pollution from agricultural or silvicultural production has been scientifically documented.

Watershed: All the area from which all drainage passes a given point.

# Soil & Water Conservation Commission Administrative Regulations

The regulation that created and determines the rules for the Kentucky Soil & Water Quality Cost Share Fund is:

**416 KAR 1:010.** Administration of Kentucky Soil Erosion and Water Quality Cost-share Fund.

RELATES TO: KRS 146.080-146.121, 224.71-100-224.71-140, Chapter 262

STATUTORY AUTHORITY: KRS 146.110-146.121

NECESSITY, FUNCTION, AND CONFORMITY: KRS 146.110 to 146.121 authorize the Soil and Water Conservation Commission to promulgate administrative regulations governing administration of the Kentucky Soil Erosion and Water Quality Cost-share Fund. The fund provides cost-share assistance to persons engaged in agricultural and silvicultural production for implementation of best management practices for such purposes as providing cleaner water through the reduction in the loading of sediment, nutrients, and pesticides in Kentucky streams, rivers, and lakes; and reducing the loss of topsoil vital to the sustained production of food and fiber; and preventing surface water and groundwater pollution. This administrative regulation establishes criteria for participation in that cost-share program.

**Note:** This is only the first, descriptive paragraph of this regulation. For the complete regulation, please visit: <http://www.lrc.ky.gov/kar/416/001/010.htm>

For regulations referencing Agricultural Water Quality Plans, please reference **KRS Chapter 224.71**, found online at: <http://www.lrc.ky.gov/Statutes/chapter.aspx?id=38338>

For regulations referencing Conservation Districts, please reference **KRS Chapter 262**, found online at: <http://www.lrc.ky.gov/Statutes/chapter.aspx?id=38498>